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October 9, 2001

**BY FACSIMILE AND PERSONAL DELIVERY  
TO OFFICES OF THE COMMISSION**

Honorable Karen Getman, Chairman  
Commissioner Carol Scott  
Commissioner Gordana Swanson  
Commissioner Thomas Knox  
Commissioner Sheridan Downey  
Fair Political Practices Commission  
428 J Street, Suite 620  
Sacramento CA 95814

Re: Proposed Regulations 18404.1, 18404.2, 18531.1, 18428, 18539.2

Dear Chairman Getman and Commissioners:

I appreciate the opportunity to comment on proposed regulations which interpret Proposition 34, either alone, or in the context of its application together with pre-Proposition 34 provisions of the Political Reform Act.

*1. Termination of Committees — 18404.1, Emergency (18404.2)*

While I believe the termination of committees statute grants the Commission the authority to require termination of committees to further other purposes of the Political Reform Act, the proposed regulations raise some technical questions and concerns.

First, with respect to the emergency regulation, I don't believe an emergency regulation is necessary to require mandatory termination of committees that will occur some 14 months from now.

Second, mandatory termination should not be a backdoor means to prohibit

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redesignation. These comments supplement my comments on pre-noticed regulation 18521. Not only should that regulation permit redesignation (for the reasons set forth in my separate letter on that subject) but also this regulation should permit redesignation — without termination — if the candidate redesignates his other committee and account before the date on which the candidate's funds become "surplus." The 9/12 month rule means the funds normally would be "surplus" unless the candidate already had redesignated his or her committee as one for the next election. Because candidates who plan to seek a future office normally will attempt to avoid the "surplus" rules by redesignating, or by transferring funds from one committee to another (as I believe is permitted by new Government Code Section 85317 but which could be accomplished via a new committee and new bank account if you prohibit redesignation from a general election to a new election), this rule likely will apply only to those candidates who are termed out and don't plan to run for a new office or those who are defeated and don't plan to run immediately for a new office.

Third, I support the concept of the proposed 12/18/24 month termination rule for committees that have debts. The 24-month option is preferable to allow committees that have potential or pending litigation with respect to a debt enough time to resolve those issues without the necessity to return to the Commission for serial extensions of time to terminate.

Finally, the 60-day notice rule to creditors is a good idea, and the mechanism for obtaining an extension of time to keep a committee open in the enumerated circumstances seems reasonable.

2. *Aggregation* -- Discussion of Amending Regulations 18531.1 and 18428

I agree with the staff's recommendations that Section 85311 doesn't need an interpretive regulation. Government Code Section 85311 enacted the former regulatory standard, which has a lengthy history and whose interpretations are well-settled. Further, the issues that a regulation might address are so fact specific that adequate generality would be unachievable.

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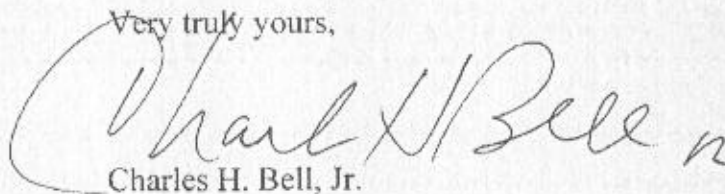
Moreover, I agree with the need to amend Regulation 18428 to eliminate the highlighted language that is an artifact of Proposition 208's language.

3. *Online Disclosure — Issue Advocacy Payments. 18539.2*

I share the staff's view and recommendation that the proposed regulation should apply to payments of \$5,000 or more from a single source, not a group of smaller contributors.

I appreciate the opportunity to comment on these proposed regulations, and will be available to testify at the October 11, 2001 meeting.

Very truly yours,

A handwritten signature in cursive script that reads "Charles H. Bell, Jr." with a large, stylized initial "C" and a flourish at the end.

Charles H. Bell, Jr.

CHB:sa